

# OPEN MEETING AGENDA ITEM

ORIGINAL

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7 May 2012

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10 May 2012 OPEN MEETING AGENDA ITEM

Arizona Corporation Commission  
DOCKETED

To: Chairman Gary Pierce, Commissioner Brenda Burns, Commissioner Sandra D. Kennedy, 2012  
Commissioner Paul Newman, Commissioner Bob Stump  
Arizona Corporation Commission Docket Control (Original and 13 copies)  
1200 West Washington Street  
Phoenix, Arizona 85007

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**Subject: Comments Concerning Calculation of Market Cost of Comparable Conventional Generation (MCCCG)**

Reference: UNS Electric's Application of Revised Pricing Plan – 3 for Net Metered Customers

Summary. I am a netmetered customer for UNS Electric. This reduction of 37.2% has a financial impact on my sales back to the company next October. This proposal reduces the unit price paid by UNS Electric per kWh from 3.9791 cents per kWh to 2.9003 cents per kWh effective 1 June 2012, a 37.20% reduction in one year. On 1 June 2011, the unit price paid by UNS Electric was 4.5220 cents per kWh, almost 60% higher than the proposed MCCCG rate. This is shown in table below:

Effective Dates (1 June to 1 June)	Cost/kWh	Change from prior year	Percent change from prior year
2010 to 2011	4.5220 cents/kWh		
2011 to 2012	3.9791 cents/kWh	- 0.5429 cents/kwh	13.64% decrease
2012 to 2013	2.9003 cents/kWh	- 1.0788 cents/kWh	37.20% decrease
	<b>Total Change for 2 years</b>	<b>-1.6217 cents/kWh</b>	<b>35.86% decrease</b>

A reduction in the avoided cost of over 35% needs better explanation in order to understand this change. Please have UNS Electric provide this at the Open Meeting on 10 May. I will attend.

If the price self- or contractor-generated or market-purchased electricity has been reduced by over 35% in the past two years, why has the cost of electricity not similarly been reduced?

RESPECTFULLY SUBMITTED on this 7<sup>th</sup> day of May 2012

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